



**DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FT. BELVOIR, VA 22060-6222**

IN REPLY
REFER TO DESC-PE/PL

October 18, 2002

MEMORANDUM FOR DESC CUSTOMERS

**SUBJECT: Winter Weather Advisory for Heating Oil Customers for the 2002-2003
Heating Season**

As the winter months approach, Defense Energy Support Center (DESC) reminds heating oil customers of the importance of carefully managing fuel inventories to prevent outages during cold weather. Although heating inventories are at normal levels and total U.S. natural gas storage is approximately 96% full, the potential for rising energy prices still exists given the unpredictability of weather or other events. All customers should take proactive measures to prepare for the upcoming heating season. DESC is committed to customer support and offers the following for planning purposes:

What is the forecast for U.S. weather patterns for the remainder of this year and into 2003?

The forecast indicates El Nino will likely play a role in the Nation's fall and winter weather patterns. Forecasters expect El Nino's fall and winter impacts to include: drier-than-average conditions in the Pacific Northwest and Mid-Atlantic States during fall; drier-than-average conditions in the Northern Rockies and the Ohio Valley States during the winter; wetter-than-average conditions in the Southern tier of the U.S. and warmer than average conditions in the Northern tier of the U.S. during winter.

The 2002/03 Winter outlook includes: Below-normal precipitation in the Northwest including Washington, Northeast Oregon, Idaho, Montana, Wyoming, western parts of North Dakota and Northwest South Dakota. Below-normal precipitation is expected in the Ohio Valley States. Above-normal precipitation is expected in the southern parts of the U.S., from central/southern California to the Carolinas. Across the northwestern, mid-western and northeastern states of the continental U.S., temperatures are expected to be above normal. Temperatures are expected to be above normal over southern parts of Alaska. Below normal temperatures and below normal precipitation are expected in Hawaii.

This data was obtained from the National Weather Service:
<http://www.noaanews.noaa.gov/stories/s997.htm>

The Department of Energy's Energy Information Administration is projecting higher costs of heating oil and natural gas this coming winter due, in part, to a return to normal or near normal temperatures after several warmer winters in recent years. See the Winter Fuels Outlook 2002-2003:

<http://www.eia.doe.gov/emeu/steo/pub/pdf/win0203.pdf>

Historically, heating oil outages occur most often during sudden cold spells or during periods of wintry precipitation (ice/snow/sleet). During these periods, consumption levels peak, regional demand for fuel is high and deliveries may be erratic during winter storms. Just when consumption rates are at their highest, sufficient re-supply is jeopardized by severe weather conditions. Adequate planning and diligent management of inventories are key to successful re-supply during the heating season and periods of extreme winter weather. The balance of this document provides recommended practices for maximizing supply availability.

- a. It is essential that the fuel user exercise close scrutiny over fuel consumption at all times. An effective inventory management plan will give consideration to worst case weather scenarios. We suggest monitoring of local 5 to 7 day forecasts in conjunction with scheduling shipments. In the event of severe winter storm conditions or sudden drops in temperature, DESC recommends that fuel users assure an adequate supply of heating oil to meet the facility's needs for the duration of the severe weather period. Promptly gauge inventory levels, estimate immediate product consumption and, if necessary, schedule additional product deliveries.
- b. Orders. If your activity uses fuel oil as an alternate energy source in times of natural gas curtailment, please monitor your levels closely to provide 48 hours advance notice to the contractor, unless a shorter notification period is stated in the delivery schedule. Timely placement of orders is necessary to provide the Contractor adequate time to schedule deliveries.
- c. Fuel users must provide suppliers of automatic fill-up requirements with maps, consumption histories, etc., to facilitate performance.
- d. Only the DESC Contracting Officer has authority to modify the terms and conditions of the contract. Please notify DESC of any change in your requirements in writing.
- e. Activity delivery narratives, bulletins and contract clauses/provisions are now located in the Contract Information System (CIS) at the following web address: <http://ports2.desc.dla.mil/ports.htm>. Activity instructions stated in the bulletin describe activity responsibilities and procedures to be followed if problems occur. This information should be reviewed by the Ordering Officer(s) at the beginning of each procurement cycle and before the heating season begins. If you have difficulty accessing the CIS, please call the corresponding number below for your respective Customer Organized Group (COG).
- f. Contract narratives often restrict delivery days and hours; activities should consider the possibility of extending delivery hours during extreme winter weather.
- g. Activities must advise DESC immediately when heating fuel delivery problems or any other contractor performance problems are encountered. DESC points of contact for heating fuel contracts are as follows:

Customer Organized Group (COG)	DIVISION PHONE NUMBER
COG 2 and 6	DESC-PLB/ 703-767-9537 or DSN 427-9537
COG 3	DESC-PEA /703-767-9509 or DSN 427-9509
COG 4	DESC-PEC / 703-767-9520 or DSN 427-9520
COG 7 and 8	DESC-PLC / 703-767-9511 or DSN 427-9511

AFTER HOURS EMERGENCY TOLL-FREE NUMBER: **1-800-286-7633 (1800-2-TOP-OFF)**

h. The uncertainty of the upcoming winter weather may impact the heating oil market. All non-standard price customers are advised that fuel prices may be affected, therefore, we ask that you stay in touch with DESC throughout the heating season. Fuel prices can be obtained by visiting the DESC pricing page at:
http://p2web.desc.dla.mil/pls/p2wp/dfsc_pkg.df_activity.

Our staff strives to provide you the best support possible; do not hesitate to contact us with your fuel related questions or problems.



GEORGE W. ATWOOD III
Acting Chief, Ground Fuels Division I
Direct Delivery Fuels



LULA MANLEY
Chief, Ground Fuels Division II
Direct Delivery Fuels